CERTIFIED AUTHORITY OF WORKERS COMPENSATION (CAWC) PRACTICE TEST (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

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How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 – 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

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Questions

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1. What does bodily injury or occupational disease coverage in California workers' compensation include?

A. Coverage for injuries arising from work duties and diseases resulting from workplace exposure.

B. Coverage for injuries during personal activities.

C. Coverage for employee salaries during illness.

D. Coverage for injuries from personal activities outside work.

2. What are the four workers compensation benefits payable to an injured worker or their dependents?

A. Medical

B. Medical, lost wages, rehabilitation, death

C. Medical, disability benefits, rehabilitation, life insurance

D. Medical, salary, vocational training, burial expenses

3. Which of the following lists the five standard exceptions?

A. Telecommuter clerical, drivers, clerical, managers, salespersons

B. Drivers, salespersons, automobile sales, clerical, telecommuter clerical

C. Drivers, mechanics, automobile sales, clerical, telecommuter clerical

D. Drivers, salespersons, automobile service, clerical, telecommuter clerical

4. Which description best defines a harbor worker?

A. Maritime worker responsible for loading and unloading ships

B. An office clerk in a city

C. A fisherman working inland

D. A ship designer

5. Which party is primarily responsible for ensuring timely payment of wage-replacement benefits in a CA WC claim?

A. The injured worker.

B. The insurer, under WCAB orders.

C. The treating physician.

D. The court.

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6. Which of the following is listed as an exclusion under LHWCA?

A. Banking

B. Aquaculture

C. Software development

D. Hospitality

7. Which term best describes traditional workers' compensation expense where premiums are set before the period and do not vary with actual losses?

A. Guaranteed cost

B. Large deductible program

C. Retrospective rating plan

D. Self-insurance

8. In a medical-legal evaluation, which issues are typically assessed?

A. Assesses causation only.

B. Assesses impairment only.

C. Assesses apportionment only.

D. Assesses causation, impairment, and apportionment essential for legal determinations.

9. Which statement about subrogation is true in workers' compensation?

A. Subrogation applies only when benefits were paid by the employee directly.

B. Subrogation means the employee can recover benefits from the employer.

C. Subrogation allows the employer/insurance to recover benefits paid from a third party responsible for the injury.

D. Subrogation prevents any third-party liability.

10. Which organization provides the fraud cost estimate used in insurance policy discussions?

A. National Insurance Crime Bureau

B. Coalition Against Insurance Fraud

C. International Fraud Association

D. American Safety Institute

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Answers

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1. B
2. B
3. B
4. A
5. B
6. B
7. A
8. D
9. C
10. B

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Explanations

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1. What does bodily injury or occupational disease coverage in California workers' compensation include?

A. Coverage for injuries arising from work duties and diseases resulting from workplace exposure.

B. Coverage for injuries during personal activities.

C. Coverage for employee salaries during illness.

D. Coverage for injuries from personal activities outside work.

The essential idea is that California workers' compensation covers injuries that come from and happen because of the job. This includes injuries that occur while performing work duties and occupational diseases caused by workplace exposure. It does not cover injuries from personal activities or illnesses not connected to work, nor does it pay salaries during illness. The focus is on work-related harm that arises out of the employment and happens in the course of performing job duties.

2. What are the four workers compensation benefits payable to an injured worker or their dependents?

A. Medical

B. Medical, lost wages, rehabilitation, death

C. Medical, disability benefits, rehabilitation, life insurance

D. Medical, salary, vocational training, burial expenses

The main idea here is understanding the four categories of workers' compensation benefits that can be paid to an injured worker or their dependents: medical care, wage replacement for lost time due to disability, rehabilitation to help the worker return to work, and death benefits for dependents if the worker dies from the injury. These cover treatment costs, income during recovery, resources to retrain or re-enter the workforce, and financial support for survivors. This option lists exactly those four: medical care, lost wages (disability benefits), rehabilitation, and death benefits. The other choices mix in items that aren't standard benefit categories—life insurance or burial expenses aren't typically described as core workers' compensation benefits, and "salary" isn't a separate benefit since wage replacement already accounts for earnings lost due to injury.

3. Which of the following lists the five standard exceptions?

A. Telecommuter clerical, drivers, clerical, managers, salespersons

B. Drivers, salespersons, automobile sales, clerical, telecommuter clerical

C. Drivers, mechanics, automobile sales, clerical, telecommuter clerical

D. Drivers, salespersons, automobile service, clerical, telecommuter clerical

Standard exceptions in workers' compensation refer to employee groups that historically fall outside the typical coverage due to the nature of their duties or work setting. The five standard categories are drivers, salespersons, automobile sales employees, clerical staff, and telecommuter clerical workers. This combination captures distinct work arrangements: drivers and traveling sales staff operate off the employer's premises with different exposure patterns; automobile sales employees work in dealerships with their own specific duties; clerical workers perform administrative tasks; and telecommuter clerical workers perform those tasks from home, altering supervision and coverage considerations. The other options mix in roles like managers, mechanics, or automobile service, which are not part of the conventional five standard exceptions in this context.

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4. Which description best defines a harbor worker?

A. Maritime worker responsible for loading and unloading ships

B. An office clerk in a city

C. A fisherman working inland

D. A ship designer

Harbor work focuses on port-based tasks that keep ships moving and cargo moving between vessel and shore. A harbor worker is a maritime worker who handles loading and unloading ships, moving containers or goods from the vessel to the dock and back, and often operating equipment like cranes or forklifts. This is distinct from an office clerk, who does administrative work away from the waterfront; an inland fisherman, who fishes away from harbor settings; or a ship designer, who plans and designs ships rather than performing port operations. So, the description that best fits is someone responsible for loading and unloading ships.

5. Which party is primarily responsible for ensuring timely payment of wage-replacement benefits in a CA WC claim?

A. The injured worker.

B. The insurer, under WCAB orders.

C. The treating physician.

D. The court.

In California workers' compensation, wage-replacement benefits are a financial obligation of the employer's insurer (or the self-insured employer) and are regulated through the Workers' Compensation Appeals Board (WCAB). The insurer is responsible for issuing timely temporary disability payments once the claim is accepted and disability is established, and WCAB orders may set or confirm the payment schedule. If payments are delayed, penalties or interest can apply under the rules, reinforcing that timely payment is the insurer's duty. The injured worker is the beneficiary of the benefits and reports injuries and files the claim, but does not manage or fund the payments. The treating physician provides medical treatment and may issue disability evaluations, but does not handle payment administration. The court itself does not pay benefits; the WCAB handles disputes and issues orders, while the actual funds come from the insurer. Therefore, the insurer, operating under WCAB orders, is the party primarily responsible for timely wage-replacement payments.

6. Which of the following is listed as an exclusion under LHWCA?

A. Banking

B. Aquaculture

C. Software development

D. Hospitality

Longshore and Harbor Workers' Compensation Act coverage is for people performing longshore, harbor, or shipyard work on navigable waters or adjacent areas. The act also lists specific activities that are not covered, reflecting work that isn't the type of maritime handling the law is designed to regulate. Aquaculture falls into fishing-related activities rather than maritime handling, so it's explicitly excluded from LHWCA coverage. The other options aren't the enumerated exclusions under the act, since they aren't maritime longshore/harbor work categories.

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7. Which term best describes traditional workers' compensation expense where premiums are set before the period and do not vary with actual losses?

A. Guaranteed cost

B. Large deductible program

C. Retrospective rating plan

D. Self-insurance

Pricing that means the premium is set before the period and does not change with actual losses is called guaranteed cost. This approach gives the employer a predictable, fixed cost for coverage, since the premium is paid regardless of how many or how costly claims turn out to be. The insurer assumes the volatility of losses in this setup, underwriters price the policy to cover expected claims, and there's less financial fluctuation for budgeting. In contrast, other structures are loss-sensitive. A large deductible program lowers the fixed premium but shifts more of the cost to the employer once claims occur, since the employer pays losses up to a high deductible. A retrospective rating plan adjusts the premium after the period based on actual losses, so total costs aren't known until claims experience is settled. Self-insurance means the employer funds and manages all losses directly, with no insurance premium determined upfront.

8. In a medical-legal evaluation, which issues are typically assessed?

A. Assesses causation only.

B. Assesses impairment only.

C. Assesses apportionment only.

D. Assesses causation, impairment, and apportionment essential for legal determinations.

In a medical-legal evaluation, the key questions revolve around how the injury happened (causation), how much the person is impaired as a result (impairment), and what portion of that impairment is due to pre-existing conditions or other factors (apportionment). Each piece informs legal outcomes like eligibility for benefits and the amount owed. Causation answers whether the injury or condition is work-related or caused by the specific incident, exposure, or disease in question. Without establishing causation, there can't be a legitimate link to the legal claim or compensation. Impairment measures the medical impact on the patient's functioning. It translates medical findings into a quantified level of disability, which helps determine the extent of loss or impairment to daily activities and work capacity. Apportionment divides the impairment into what is attributable to the current claim versus what stems from prior conditions or concurrent factors. This ensures fair allocation of responsibility and benefits, preventing over- or under-compensation. Together, these three elements provide the complete picture needed for legal determinations. For example, a worker with a pre-existing back condition who sustains a new injury must be evaluated to determine if the new event caused the impairment, how severe that impairment is, and what portion is due to the new injury versus the pre-existing condition. Focusing on only one aspect would miss critical parts of the legal decision.

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9. Which statement about subrogation is true in workers' compensation?

A. Subrogation applies only when benefits were paid by the employee directly.

B. Subrogation means the employee can recover benefits from the employer.

C. Subrogation allows the employer/insurance to recover benefits paid from a third party responsible for the injury.

D. Subrogation prevents any third-party liability.

Subrogation in workers' compensation is the process by which the insurer that has paid benefits to the worker can recover those costs from the person or entity responsible for causing the injury. When a third party's fault leads to the injury, the insurer steps into the worker's shoes and pursues recovery of benefits and medical costs from that third party. This mechanism does not involve the employee collecting money from the employer, and it does not prevent third-party liability; it actually enables the insurer to recoup what was paid from the party at fault.

10. Which organization provides the fraud cost estimate used in insurance policy discussions?

A. National Insurance Crime Bureau

B. Coalition Against Insurance Fraud

C. International Fraud Association

D. American Safety Institute

Understanding which organization provides the fraud cost estimate used in insurance policy discussions helps you see where policymakers and stakeholders get a sense of the scale of fraud. The Coalition Against Insurance Fraud is a national nonprofit alliance that specifically compiles and publicizes the total cost of insurance fraud. They publish annual estimates and provide context for policy debates, making their figures the go-to reference in discussions about the financial impact of fraud on the insurance system. The National Insurance Crime Bureau is focused on data collection, investigations, and public awareness about insurance fraud and vehicle theft; it contributes important statistics but is not the primary source for the widely cited fraud-cost estimate used in policy conversations. The International Fraud Association isn't a recognized source for this particular metric, and the American Safety Institute centers on safety training rather than producing national fraud-cost estimates.

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Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

https://cawc.examzify.com

We wish you the very best on your exam journey. You've got this!

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